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EXECU /E OFFICE OF THE PRESIDEI
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

November 15, 1985

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer

Department of Commerce - Joyce Smith (377-4264)
Department of Defense - Werner Windus (697-1305)
Department of Agriculture - Sid Clemans (382-1516)
Office of Personnel Management - Bob Moffit (632-6516)
Department of Health & Human Services - Frances White (245-7750)
Central Intelligence Agency
National Security Council

SUBJECT: General Services Administration proposed report on H.R. 2889 -- Computer Security Act.

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than

COB -- MONDAY -- NOVEMBER 18, 1985

Questions should be referred to Constance J. Bowers (395-3457), the legislative analyst in this office.

James C. Murr for
Assistant Director for
Legislative Reference

Enclosures
cc: Ed Springer
Arnie Donahue
Kevin Scheid
Sherri Alpert

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General Services Administration
Washington, DC 20405

Honorable Jack Brooks
Chairman
Committee on Government Operations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The General Services Administration (GSA) wishes to submit its views on H.R. 2889, the "Computer Security Research and Training Act of 1985," as reported by the House Committee on Government Operations. While GSA is fully supportive of the bill's objective of insuring that the nation's computer systems are designed to include effective security features, GSA opposes the enactment of H.R. 2889, as reported, for the reasons set forth in the remainder of this letter.

I. Section 3

Section 3 of H.R. 2889, as reported, would give the National Bureau of Standards (NBS) authority for establishing and conducting a computer security management, research, and training program pertaining to computer and telecommunications systems that are subject to the provisions of section 111 of the Federal Property and Administrative Services Act of 1949, as amended (Property Act). GSA opposes this provision as currently drafted. First, GSA notes that portions of section 3, more specifically proposed sections 18(b)(1) and (2), would require NBS to perform functions that are duplicative of functions currently performed by the National Security Agency (NSA). Furthermore, in carrying out this program, NBS would be required "to make recommendations to GSA on computer and telecommunications security policy." We do not believe that the agency's role should be limited to receiving recommendations from NBS. Rather, given GSA's existing and proposed oversight role, GSA believes that NBS should be required to receive our concurrence on such matters.

II. Section 4

Section 4 of H.R. 2889, as reported, would amend the Brooks Act to grant the Secretary of Commerce authority to establish uniform Federal automated data processing (ADP) and related telecommunications standards and guidelines. GSA strongly opposes this transfer of authority relative to telecommunications standards.

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In fulfilling its mandated role in Federal Government telecommunications, GSA recently developed a large-scale plan to completely upgrade the national networks over a five-year period. This major undertaking for the Government Telecommunications System (GTS) is already underway. In recognition of the fact that a crucial parallel function is ensuring that the telecommunications standards required to support this system are developed and implemented, GSA has developed a GTS Telecommunications Standard Program Plan which employs the Federal Standards Program as the source for ensuring needed standards are made available. Because of our major telecommunications initiatives, this is a critical time for GSA to represent Federal Government interests through management of the Federal Telecommunications Standards Program. Therefore, transfer of telecommunications standards management authority from GSA to NBS could seriously compromise the GSA efforts to upgrade the national networks.

Furthermore, section 4 would make all such standards mandatory on agencies unless waived by the Secretary of Commerce. GSA believes this to be both inappropriate and ineffectual. We believe that the authority to waive such standards should be vested in agency heads rather than the Secretary of Commerce. The inclusion of a standard in an agency requirement is an integral part of the requirements determination process. Thus, the Department of Commerce should not interfere in an agency's determination of its requirements. The standards themselves should contain applicability provisions and possibly the criteria which the agency head should consider regarding waiver requests. However, the requiring agency is in the best position to determine whether the standard should be waived. In addition, GSA notes that waiver requests submitted to Commerce regarding ADP standards have generally involved a lengthy review process. This often has a very adverse effect on the acquisition process of the agency requesting the waiver. Accordingly, for all of the reasons cited in these paragraphs, we oppose this section of the bill.

Finally, we note that proposed section 111(f)(3)(B) would direct the Administrator of General Services to revise the "Federal information resources management regulations (41 CFR ch. 201) consistent with such standards, guidelines, and policies." The two sections immediately preceding section 111(f)(3)(B) state that GSA shall "implement" standards and guidelines developed by NBS. We believe this language is consistent with GSA's statutory and traditional role regarding standards. However, GSA recommends that proposed section 111(f)(3)(B) be revised in keeping with this language to read as follows:

> "(B) revising the Federal Information Resources Management Regulation (41 CFR Ch. 201) to implement such standards, guidelines, and policies."

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III. Section 5

Section 5 of H.R. 2889, as reported, would direct the Office of Personnel Management (OPM) to issue regulations prescribing in detail the procedures and scope of the training to be provided by Federal agencies. In turn, each Federal agency would be required to provide mandatory periodic training in computer security pursuant to the guidelines developed by OPM.

GSA opposes this provision. ADP and telecommunications security training should be managed and implemented within an integrated information resources management (IRM) context. GSA has an extensive, ongoing Governmentwide information systems training program as part of the agency's responsibility for Governmentwide IRM policy development and regulatory implementation. Furthermore, GSA has demonstrated the interest and ability to provide leadership on a Governmentwide basis on the full spectrum of management issues in preparing the Federal work force for the future. Thus, the assignment to GSA of responsibility for computer security training is a logical extension of existing GSA statutory assignments.

IV. Section 6

Section 6 of H.R. 2889, as reported, would require each Federal agency to identify, within six months after enactment, each computer and related telecommunications system that stores or transmits sensitive (but unclassified) information, the loss or misuse of which could adversely affect the national interest or the conduct of Federal programs. Also, within one year of enactment, every agency would be required to establish a plan for security of such systems. Each plan, in turn, would be subject to disapproval by GSA.

GSA opposes this provision. GSA believes that this requirement and the related planning submission go well beyond the bill's original intent. Section 3 specifically states, with respect to the computer security management, research, and training program, that "the primary emphasis of such program shall be the prevention of computer related fraud and abuse." Moreover, the findings in section 2 suggest that it is the intent of the bill to supplement the current efforts "on developing hardware and software systems to protect sensitive information" since "studies of computer-related fraud and abuse in Government agencies indicate a costly and widespread problem of significant proportions."

This provision would also prove to be almost impossible to administer effectively. Given the large number of computers, particularly small computers in the Federal inventory, and the constant change in systems, this would require a substantial and continuing effort by Federal agencies. Further, the initial effort must be completed in a relatively short time.

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V. National Security Decision Directive 145 (NSDD-145)

Finally, given the recent issuance of National Security Decision Directive 145 (NSDD-145), GSA believes the enactment of this legislation to be inappropriate at this time. NSDD-145 established a National Policy on Telecommunications and Automated Information Systems Security, and designated the Secretary of Defense as Executive Agent for Telecommunications and Automated Information Systems Security. GSA believes that sufficient time should be allowed to both implement NSDD-145 and evaluate its success before any new legislation in this area is considered.

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this report to your Committee.

Sincerely,

Terence C. Golden

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